

Opening Statement of Frederica S. Wilson, Ranking Member
Subcommittee on Workforce Protections
Committee on Education and the Workforce
“Reforming the Workers’ Compensation Program for Federal Employees”
May 20, 2015

Chairman Walberg, thank you for calling this hearing today to discuss the Federal Employees’ Compensation Act.

Since 1916, FECA has been the governing statute providing benefits for federal civilian workers injured or killed on the job. The law provides compensation for lost wages, medical care, and vocational rehabilitation.

As we discuss FECA reform, we must remind ourselves of the key principle behind the federal workers’ compensation system:

Workers and their families should be no worse or better off financially than if the injury or death had not occurred.

As we discuss FECA reform, we must also remind ourselves of the bipartisan work this committee has done on this issue. Four years ago, this Committee worked to pass The Federal Workers’ Compensation Modernization and Improvement Act, H.R. 2465, through the House.

This bill—

- improved program integrity,
- modernized two benefits that had not been updated since 1949;
- expanded the availability of medical providers; and
- provided better benefits for civilian federal workers injured in a zone of armed conflict.

This bipartisan bill strengthened the FECA system while providing savings to taxpayers.

Mr. Chairman, I hope that bill can serve as the basis for reform efforts going forward.

Today’s hearing will review the Department of Labor’s FECA reform proposal, which makes three controversial cuts to benefits.

First, the proposal cuts benefits for the families who are left behind after the death of a worker. These cuts would greatly affect widows like Helen Andujar, who has joined us here today. Two years ago, her husband Osvaldo Albarati, a federal corrections officer, was brutally gunned down while returning home to his family. He was assassinated in retaliation for breaking up a cell phone smuggling ring at the DOJ Bureau of Prisons facility where he worked. He left behind 3 children and a wife, who depend on FECA benefits. I applaud Ms. Andujar’s bravery in sharing her family’s story with us. As we consider the proposed cuts to survivor benefits, let us remember Ms. Andujar and all the wives, husbands, and children she represents.

Second, the proposal reduces benefits for permanently disabled workers once they hit retirement age. This proposed cut is based on the idea that injured workers are unmotivated to return to work. However, we know that injured workers want to go back to work. In fact, 98% of all disabled workers under FECA return to work within 2 years. Because FECA benefits are less than a full retirement, they have an incentive to return to their jobs and earn a retirement. These workers want to be useful. They want to contribute to their retirements. They want to work.

No group is more representative of this spirit from our federal workers than the letter carriers and widow who have joined us here today. These postal workers were crushed between vehicles and suffered horrific injuries that left them with little or no use of their legs. Despite painful and disabling injuries that make it impossible to stand, many of them have insisted on returning to work, if only for two hours a day.

As we consider the proposed cuts to the permanently disabled at retirement age, let us remember these workers when it is argued that injured workers are unmotivated to return to work.

Third, the proposal reduces benefits for injured workers with families. Under current law, FECA provides a base benefit that is 66-2/3% of the injured employee's average weekly wages. Individuals with dependents receive an additional percentage. This current system recognizes that injured workers with families have additional financial responsibilities. Under DOL's proposal, there would be a single compensation rate for all, regardless of dependents. This is not a family-friendly policy. Let us remember this as we consider these proposed cuts.

We must also be reminded of the GAO studies this Committee requested.

In late 2012, GAO issued three reports that found FECA benefits for the median income worker are on par with or less than the earnings of an employee who works 30 years and retires under the Federal Employee Retirement System.

GAO also reported the proposal would leave the median disabled worker with 31% to 35% less than the retirement they would have earned if they had not been injured.

These GAO's reports, which used widely accepted methods, strongly suggest the proposed cuts are inappropriate and are not in line with the principal that workers should not be better or worse off than if they had not been injured on the job. Let us remember this as we consider the proposed cuts.

I want to thank the witnesses for their preparation. I also want to thank those who traveled a long distance to be with us at this hearing.

I yield back the balance of my time.